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Attorneys for Michael A. McConnell,
Chapter 11 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
NORTHERN DIVISION

In re
HVI CAT CANYON, INC.,
Debtor.

Case No. 9:19-bk-11573-MB

Chapter 11

**NOTICE OF THIRD AMENDMENT TO
CREDIT AGREEMENT AND BUDGET
AMENDMENT**

[No Hearing Required]

PLEASE TAKE NOTICE of the Third Amendment to Credit Agreement and Agreed
Budget, a copy of which is attached as Exhibit "1" hereto.

DATED: February 5, 2020

DANNING, GILL, ISRAEL & KRASNOFF, LLP

By:


AARON E. DE LEEST
Attorneys for Michael A. McConnell,
Chapter 11 Trustee

EXHIBIT 1

THIRD AMENDMENT TO CREDIT AGREEMENT

This **THIRD AMENDMENT TO CREDIT AGREEMENT** (the "Amendment"), is made and entered into as of January 31, 2020, by and among **Michael McConnell** ("Trustee"), solely in his capacity as Chapter 11 trustee for the estate of **HVI Cat Canyon, Inc.**, a Colorado corporation ("HVI CC" and, together with Trustee, collectively, "Borrower"), and **UBS AG, Stamford Branch** ("Lender"). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement (as defined below).

RECITALS

WHEREAS, Borrower and Lender are parties to that certain Credit Agreement dated as of November 8, 2019 (the "Credit Agreement"), as amended by the Amendment to Credit Agreement dated as of December 5, 2019 and the Second Amendment to Credit Agreement (the "Second Amendment") dated as of January 3, 2020; and

WHEREAS, as of the date hereof, the parties hereto intend to further amend the Credit Agreement to (i) revise certain defined terms in Section 1.01 of the Credit Agreement, and (ii) make certain other amendments as set forth below.

NOW, THEREFORE, in consideration of the premises, the covenants, promises and agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

ARTICLE 1

ACKNOWLEDGMENTS AND RESERVATION OF RIGHTS

Section 1.1 Acknowledgment of Defaults. Borrower acknowledges and represents that as of the date hereof (a) an Event of Default has occurred under Section 7.01(e) of the Credit Agreement as a result of the failure of monthly sales receipts of Borrower to be at least \$750,000 for the months ending November 30, 2019 and December 31, 2019, as required under Section 6.02(l) of the Credit Agreement (the "Monthly Sales Defaults"); (b) an Event of Default has occurred under Sections 7.01(e), 7.01(g)(i)(H) and 7.01(j)(ii) of the Credit Agreement as a result of (i) the incurrence, creation or existence of a claim of Lien against any of Borrower's assets that are *pari passu* with or senior to the claims and Liens of Lender that could reasonably be expected to result in a Material Adverse Effect, (ii) the grant of a security interest in the right to receive income that could reasonably be expected to result in a Material Adverse Effect, (iii) the creation or existence of a Debt or Contingent Obligation that could reasonably be expected to result in a Material Adverse Effect, (iv) Borrower's filing of a motion to effect an order approving an administrative expense claim (other than those specifically referred to in Section 2.04 of the Credit Agreement) that has any priority over, or is *pari passu* with the administrative expense priority of the Obligations in respect of the Chapter 11 case, and (v) the failure to grant Lender a lien on avoidance actions arising under Chapter 5 of the Bankruptcy Code (other than avoidance claims of the estate against any party that is a current or former insider or affiliate of HVI CC and the proceeds of such claims), in violation of Sections 2.04, 6.02(a), 6.02(b), 6.02(g), 7.01(g)(i)(H) and 7.01(j)(ii) of the Credit Agreement (the "Priority and Avoidance Actions Defaults"); (c) an Event of Default has occurred under Section 7.01(h) of the Credit Agreement

as a result of the Cease & Desist Order issued by the Administrator of the Office of Spill Prevention and Response, dated as of January 17, 2020 (the “Governmental Approval Default”, together with the Monthly Sales Defaults and the Priority and Avoidance Actions Defaults, the “Existing Defaults”); (d) Borrower has failed to provide Lender with sufficient evidence that Borrower has complied with the covenant in Section 6.01(d)(vi) of the Credit Agreement (the “Milestone”); (e) no Events of Default other than the Existing Defaults exist under the Credit Agreement; and (f) other than the existence of the Existing Defaults, all of the representations and warranties of Borrower in the Credit Agreement are true and correct in all material respects.

Section 1.2 Acknowledgment of Authority. Borrower acknowledges and represents that (a) the execution and entry of this Amendment by Borrower is within Borrower’s powers and has been duly authorized by the Court pursuant to the Second Amendment Order (as defined in the Second Amendment) and (b) no further authorization or approval or other action by, and no notice to or filing with any Person is required for the due execution and entry of this Amendment by Borrower.

Section 1.3 Reservation of Rights. Notwithstanding any Advance made prior to, on or after the date hereof or any provision of this Amendment, (a) Lender is not waiving, and shall not be deemed to have waived, the Existing Defaults, any other Events of Default or any conditions to any Advance (including, without limitation, the conditions set forth in Section 4.02(b) or (c) of the Credit Agreement), (b) the satisfaction of Section 4.1(c) of the Second Amendment shall remain a condition to all future Advances under the Credit Agreement, (c) Lender hereby reserves all of its rights, remedies, and powers under the Credit Agreement and the other Loan Documents, at law, in equity, or otherwise (including, without limitation, the right to impose a default rate of interest with respect to all Obligations, retroactive to the date on which the Existing Defaults occurred or such later date as Lender may determine in its sole discretion), and (d) Borrower agrees that (i) neither the making of any Advance nor the acceptance by Lender of any payments provided for in the Loan Documents shall excuse Borrower from any of its obligations under the Loan Documents and (ii) it will not assert laches, waiver or any other defense to the enforcement of any of the Loan Documents based upon the making of any Advance by Lender during the occurrence of the Existing Defaults or any other Event of Default or the acceptance by Lender of any of the payments provided for in the Loan Documents.

ARTICLE 2 AMENDMENTS TO CREDIT AGREEMENT

Section 2.1 Amendments to Section 1.01: Definitions.

- (a) The definition of “Availability Period” in Section 1.01 of the Credit Agreement is hereby amended and restated as follows:

“Availability Period”: The period commencing on the Closing Date and ending on the earlier of (i) February 7, 2020 and (ii) the Maturity Date.

ARTICLE 3 AGREED BUDGET

Section 3.1 Agreed Budget. The parties agree and acknowledge that the budget attached hereto as Exhibit A shall constitute the Agreed Budget for all purposes under the Credit Agreement and the other Loan Documents as of the date hereof, subject to further modification in accordance with the terms of the Credit Agreement. Trustee represents and warrants that Trustee is not aware of any information contained in the Agreed Budget which is false or misleading or of any omission of information which causes such Agreed Budget to be false or misleading.

ARTICLE 4 CONDITIONS OF LENDING

Section 4.1 Conditions Precedent. The effectiveness of this Amendment is subject to the following conditions precedent:

- (a) Lender shall have received the following, in form and substance satisfactory and acceptable to Lender:
 - (i) an executed copy of this Amendment delivered by Borrower to Lender;
 - (ii) such other documents as Lender may reasonably request;
- (b) the representations and warranties contained in Section 5.01 of the Credit Agreement are true and correct as though made on and as of the date of this Amendment;
- (c) other than the existence of the Existing Defaults, no event or condition has occurred and is continuing, or would result from the making of any Advance, which constitutes an Event of Default or Potential Event of Default;
- (d) other than in connection with the existence of the Existing Defaults (including in connection with failure of the Final Borrowing Order to grant a senior priming lien with regard to the Treasurer and Tax Collector of the Country of Santa Barbara, California), no pleading or application shall have been filed in the Court by any party in interest which is not withdrawn, dismissed or denied within ten (10) days after filing seeking (i) to dismiss or convert the Chapter 11 Case to a Chapter 7 case, (ii) the removal of Trustee, or the appointment of an examiner having enlarged powers relating to the operation of the business of Borrower (beyond those set forth under Section 1106(a)(3) and (4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code, (iii) the granting of a super-priority claim or a Lien *pari passu* or senior to that of Lender granted pursuant to any Collateral Documents, the Interim Borrowing Order or the Final Borrowing Order, (iv) to stay, reverse, vacate, or otherwise modify the Interim Borrowing Order or the Final Borrowing Order without the prior written consent of Lender, or (v) relief from the automatic stay (or any other injunction having similar effect) so as to allow a third party to proceed against any material property or assets of Borrower; and

- (e) no order, judgment or decree of any court (including, without limitation, the Court), arbitrator or governmental authority shall purport to enjoin or restrain Lender from making any Advance.

ARTICLE 5 MISCELLANEOUS

Section 5.1 Entire Agreement; Effect on Credit Agreement. This Amendment and the Loan Documents and all exhibits hereto and thereto embody the entire agreement between the parties respecting the subject matter hereof and thereof and supersede all prior agreements, proposals, communications and understandings relating to such subject matter. The terms of the Amendment shall be considered a part of the Credit Agreement as if fully set forth therein. Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of, Lender under the Credit Agreement or any of the other Loan Documents.

Section 5.2 Miscellaneous. This Amendment shall be binding upon the parties and their respective successors and assigns. The section headings are furnished for the convenience of the parties and are not to be considered in the construction or interpretation of this Amendment or the Credit Agreement. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Section 5.3 Governing Law. The construction, validity, enforcement and interpretation of this Amendment shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

Section 5.4 No Other Amendments. In case of a conflict between the terms of this Amendment and the Credit Agreement, the terms of this Amendment control. Except as expressly set forth in this Amendment, the terms of the Credit Agreement remain unchanged and in full force and effect.

Section 5.5. Final Borrowing Order Controls. All of the terms and agreements of the Final Borrowing Order, as supplemented by the Second Amendment Order, are incorporated in this Amendment by reference. In the event of any direct conflict or inconsistency between the provisions of this Amendment and the Final Borrowing Order, the provisions of the Final Borrowing Order, as supplemented by the Second Amendment Order, shall control.

Section 5.5 Fees and Expenses. Without limiting the generality of Section 8.05 of the Credit Agreement, Borrower agrees to pay all reasonable fees and expenses of Lender in connection with this Amendment (including reasonable attorneys' fees and expenses).

[The remainder of this page is left intentionally blank.]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

BORROWER:

HVI CAT CANYON, INC.

By: 

Name: Michael McConnell

Title: Chapter 11 Trustee for the estate of HVI Cat Canyon, Inc.

[Signature Page to Third Amendment to Credit Agreement]

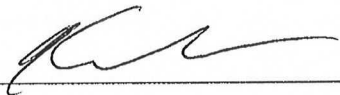
THE LENDER:

UBS AG, STAMFORD BRANCH

By: 

Name: Houssem Daly

Title: Associate Director

By: 

Name: Kenneth Chin

Title: Director

[Signature Page to Third Amendment to Credit Agreement]

EXHIBIT A

AGREED BUDGET

(See Attached)

HVI CAT CANYON INC. WORKING DRAFT 3-Week Cash Flow Forecast (2-Week DIP Extension)		Actual Week 24 6-Jan-20	Actual Week 25 13-Jan-20	Actual Week 26 20-Jan-20	Forecast Week 27 27-Jan-20	Forecast Week 28 3-Feb-20	3-Week TOTAL
<i>week starting</i>							
Beginning Cash Balance		665,361	958,288	351,648	19,079	-	351,648
1	Cash Inflows (*)						
	SMV	-	-	-	-	-	-
	Redu	-	-	57,234	-	-	57,234
	Belridge	-	-	97,360	-	-	97,360
	Other	-	62,714	7,385	-	-	7,385
	Total Cash Inflows	-	62,714	161,979	-	-	161,979
2	Royalties	-	-	(24,842)	-	-	(24,842)
3	Escrow Royalties(**)	-	-	(4,777)	-	-	(4,777)
	Total Net Cash Inflows	-	62,714	132,360	-	-	132,360
Cash Outflows							
Operating Expenses							
	Payroll Checks	-	73,008	-	76,000	-	76,000
4	Payroll Taxes	-	27,044	28,303	26,000	26,000	80,303
	Garnishment & Child Supports	-	-	3,500	500	-	4,000
5	Surface Rents	11,956	5,625	-	94,111	-	94,111
6	Consultants	-	12,474	-	12,474	-	12,474
7	Phones	-	492	-	2,500	2,500	5,000
8	Power PG&E	-	99,115	61,034	-	-	61,034
9	Power SoCalEdison	-	-	-	12,000	-	12,000
	Waste Management	-	-	-	-	1,500	1,500
	Water	-	1,551	120	1,000	2,000	3,120
	SouthernCalGas	-	-	-	500	-	500
	Portable Restrooms	-	2,676	-	-	3,000	3,000
	Alarms	-	-	-	500	-	500
	Cafeteria	-	-	-	-	-	-
	Copies	-	353	-	-	-	-
10	Chemicals	-	13,746	-	2,500	5,000	7,500
11	Pumps	-	-	-	6,000	10,000	16,000
	Gasoline	-	9,321	-	6,000	12,000	18,000
12	Transportation	-	-	-	12,350	10,000	22,350
13	Vacuum Trucks	-	81,115	-	45,000	55,000	100,000
14	LCR	-	29,113	-	13,000	25,000	38,000
15	Electricians	-	-	-	5,000	5,000	10,000
16	Welders	-	-	-	15,000	15,000	30,000
17	Supplies (Belts-Parts, Labor)	-	5,507	-	4,000	4,000	8,000
18	Parts (Compressor, Pipe, others)	-	6,073	4,517	6,000	10,000	20,517
	Clean Chemical towers	-	-	-	-	-	-
	Vehicle maintenance	-	-	-	-	5,000	5,000
	Drink Water	-	-	-	-	500	500
19	Weed abatement	-	36,281	-	10,000	-	10,000
20	Well Analysis	1,320	-	-	6,000	-	6,000
21	Compliance	26,128	32,370	-	20,000	20,000	40,000
22	SBP - APCD	-	658	-	3,000	-	3,000
23	SBP - P&D	-	-	-	162,926	3,800	166,726
	SBP - FD	-	7,643	-	-	-	-
24	SBP - EHS	-	-	-	1,000	-	1,000
	SBP - Tax	-	-	-	-	-	-
	OC - Tax	-	-	-	-	-	-
	KC - Tax	-	-	-	-	-	-
25	Escrow - Surface Rents(**)	-	-	-	7,500	-	7,500
26	Netherland and Sewell Reserve Report	-	-	-	20,000	-	20,000
27	GSI Phase 1 Environmental Study	-	-	-	-	-	-
28	Backoffice & Administrative	50,808	-	-	44,000	70,000	114,000
	Total Operating Expenses	90,212	444,166	97,473	614,861	285,300	997,635
	Net Operating Profit	\$ (90,212)	\$ (381,452)	\$ 34,886	\$ (614,861)	\$ (285,300)	(865,275)

HVI CAT CANYON INC.		Actual	Actual	Actual	Forecast	Forecast	3-Week
WORKING DRAFT 3-Week Cash Flow Forecast (2-Week DIP Extension)		Week 24	Week 25	Week 26	Week 27	Week 28	TOTAL
week starting		6-Jan-20	13-Jan-20	20-Jan-20	27-Jan-20	3-Feb-20	
Beginning Cash Balance		665,361	958,288	351,648	19,079	-	351,648
Total Health and Safety & Deferred Maintenance							
29	Health and Safety						
	SMV Health and Safety	-	3,500	6,550	1,050	-	7,600
	Belridge Health and Safety	-	-	-	-	-	-
	Redu Health and Safety	-	10,000	-	43,847	-	43,847
	Total Health and Safety	-	13,500	6,550	44,897	-	51,447
30	Deferred Maintenance	-	117,574	-	41,281	33,606	74,888
	Total Health and Safety & Deferred Maintenance	-	131,074	6,550	86,178	33,606	126,334
Bank Charges & fees		90	120	90	100	-	190
31	Insurances	-	-	-	71,710	9,879	81,589
32	Chapter 11 Trustee and his Professionals	118,994	93,994	360,815	212,763	423,675	997,253
33	Unsecured Creditor Committee Professionals	59,727	-	-	33,000	-	33,000
	U.S. Trustee Payment	27,075	-	-	-	-	-
34	Interest	-	-	-	-	-	-
	Bankruptcy Related Expenses	205,886	94,114	360,905	317,573	433,554	1,112,032
	Total Cash Outflows	296,098	669,354	464,929	1,018,612	752,460	2,236,001
	Net Cash Flow	(296,098)	(606,640)	(332,569)	(1,018,612)	(752,460)	(2,103,641)
Beginning Cash Balance		665,361	958,288	351,648	19,079	-	351,648
Net Cash Flow		(296,098)	(606,640)	(332,569)	(1,018,612)	(752,460)	(2,613,673)
Net Borrowing/(Pay Down)		589,025	-	-	999,533	752,460	2,262,025
Ending Cash Balance		958,288	351,648	19,079	-	-	-
Loan Balance		4,724,258	4,724,258	4,724,258	5,723,791	6,476,251	6,476,251
(*)Forecast depend on actual delivered barrels and price				Approved 2nd Amendment Loan Amount			6,237,569
(**) Not approved under Interim Cash Collateral Order				Additional 2-Week extension funding req			238,682
1	<div><div><div>Sales Contract with Texican: Volume and pricing for production sales in January are subject to change based upon Texican and P-66's capacity. Lease Name: <u>Security</u> Volume: 350 bpd, plus 1000 bbls (Bel Lt/Security blend) in tankage Field: Cat Canyon Term: 30 day spot Pricing: Average of the four posters for Midway Sunset, less \$5.95 market differential and less 1.70 sulfur differential, gravity adjusted less \$1.35 transportation cost. (trucking fee) Sulfur is 50 cents per degree over 1.0: (4.4-1)*.50 Lease:<u>Richfield East Dome Unit (REDU)</u> Vol (bpd):100 bpd appx Pricing:Average of the four posters for Buena Vista Hills less \$4.95 gravity adjusted. Tariff:Phillips 66 will pay all tariff and PLA and gauging fees Term:6 mos., to a 30 day evergreen Effective:12/1/2019 Lease:<u>Belridge Gibson McPhail</u> Vol (bpd):24 bpd appx Pricing:Average of the four posters for Midway Sunset less \$1.10 cents, gravity adjusted. Trucking:Phillips 66 pays all trucking fees and tariffs</div><div>Sales Contract with Pacific Coast Energy Company's ("PCEC"): Pricing is the average of the daily posted quote price for Chevron, Shell and Union 76, less a \$3/BBL discount. We have 2 options for transportation vendors, Pacific Petroleum California ("PPC") or Petrol Transport ("PT"), and from our prior experience PPC charges about \$105 per hour for transportation so, assuming each load takes about 4 hours to load and unload, we factored in an estimated additional \$3.50/BBL reduction to account for transportation costs. The PCEC contract is for 350 BBLs/day and covers the Santa Maria Valley ("SMV") leases, which include the Bell lease, so you'll see P66 and PCEC both listed as buyers for Bell. We anticipate shipping the Davis inventory to PCEC first.</div></div></div>						
2	In aggregate, monthly royalties are approximately 13% of production.						
3	Escrow Royalties are based upon an insider's 2.5% overriding royalty on 1 month's production.						
4	Payroll Taxes: Week 26 catch-up on Payroll taxes from week 23 or January 3 rd payroll, which we recently received from Tino as Ernesto did not provide the usual schedule due to the transition. Pay payroll taxes from week 25 in week 27 and finally get back in sync by week 28 when we'll pay week 27's taxes.						
5	Surface Rent Sub schedule: We will catch-up on some passed due surface rent payments from the beginning of January as well as paying the surface lease payments due on Feb 1st on time.						
	Surface Lease Owner:	Amount					
	Boisseranc	\$ 11,956					
	Buganko	\$ 14,878					
	Medema (1/2) Thomson (1/4) (- McLaughlin (1/4)	\$ 7,500					
	(3) Etchandy family members	\$ -					
	State College, LLC (Evelyn Roper)	\$ 1,581					
	Adam Family Trust	\$ -					
	Orcutt Fee, LLC	\$ 5,000					
	Marianne Friedl	\$ 3,700					
	C.M.T LLC	\$ 100					
	Manfred Sander	\$ 6,800					
	E & B Natural Resources	\$ -					
	Grundoon, LLC (Firestone)	\$ 7,500					
	Morganti Ranch	\$ 5,500					
	Morganti Ranch	\$ -					
	Morganti Ranch	\$ -					
	Railroad	\$ 454					
	(4) Righetti family members	\$ 3,000					
	(3) Judy A. Rogers, Ronald H. Souza, Jr., Michael J. Souza	\$ 750					
	Roland and Sandy Miller	\$ 300					
	Multiple Bradley Lands	\$ -					
		\$ 69,019					
6	HVI pays the following 3 consultants on a biweekly basis:						

HVI CAT CANYON INC.		Actual	Actual	Actual	Forecast	Forecast	3-Week
WORKING DRAFT 3-Week Cash Flow Forecast (2-Week DIP Extension)		Week 24	Week 25	Week 26	Week 27	Week 28	TOTAL
week starting		6-Jan-20	13-Jan-20	20-Jan-20	27-Jan-20	3-Feb-20	
Beginning Cash Balance		665,361	958,288	351,648	19,079	-	351,648
<u>Name and Description:</u>		<u>Amount:</u>					
i) William LaFleur - Landman		\$	6,000				
ii) Innovative Consulting Solutions - production accountant		\$	1,923				
iii) Alliance-Hydro - Geologist		\$	4,085				
Total Amount due to Consultants		\$	12,008				
Amounts include HVI's office line at their East Clarke office and cell phones for all field employees.							
Scheduled a payment plan with Power PG&E to break the recent ~\$400k energy bill into 4 monthly payments of ~100k due the second week of each month. Estimated ongoing charges will be between \$60k-\$100k per month and we paid the most recent bill of \$61k in week 26.							
Amount due for prior month's power usage.							
Chemicals used for H2S removal that are critical to production - currently on COD terms with chemicals vendor							
Pump maintenance and rework costs that are critical to production, week 28 increased to 10k to bring vendor Ace Pump current on outstanding A/P balance.							
Week 27 Transportation forecasted to be ~\$12.3k as payment for the disposal fee for the Guzman vacuum truck currently sitting on the Boisseranc's property							
Vacuum Trucks forecasted to total \$82k in weeks 27 and 28 to bring PPC current on all A/P balances and an addition \$18k for ongoing transportation of crude PPC is doing for PCEC.							
Assumes reduced LCR usage at \$75 per BBL, 1 load in week 27 and 2 in week 28.							
The weekly run rate for electricians is approximately \$5k.							
The weekly run rate for welders is increased to \$15k per week for next 2 weeks to bring West Coast Weldind current on outstanding A/P for lease repairs while shut-in.							
Assumes a weekly run rate of approximately \$4k for supplies.							
Assumes a weekly run rate of approximately \$5k is for parts.							
Weekly run rate for critical safety and fire protection for HVI's 700+ wells and reduction of Notice of Violation ("NOV") fines. Currently understaffed in this area and run rate assumes increasing team size							
Well Analysis forecast to be about \$6k in week 27 as payment to top up ALTA's retainer to complete the 2019 Compliance Year Emissions Audit.							
Week 27 Compliance line item contains a \$5k retainer for Stan Brown who will be assisting the Geologist John in the preparation of Underground Injection Reports (UICs) for HVI's Santa Maria area oil fields; also includes weekly run rate for Spill Contingency Plan consultant's run rate and a contingency reserve for any NOV's or other fines not yet received.							
In week 27, \$3k due to APCD for 2 NOV's.							
Due in week 27 by 1/31/2020, \$162,926 is due to Santa Barbara County Planning and Development for 2020 Annual Well and Tank Facility Inspections.							
Bradley II-16 Final Invoice of \$916 with Santa Barbara County Environmental Health Services before they can issue a no further action letter.							
Rent due on HVI East Clarke office - not approved under Interim Cash Collateral Order							
Chapter 11 Trustee negotiated a progress payment plan with Netherland & Sewell for a 2019 Reserve Report. The \$100-\$120k total fee can be paid on weekly basis for \$25k a week. Final payment on							
Phase 1 Environmental Study per Credit Agreement revised forecast is still to be determined. Once the study is complete we will remit payment.							
\$10k in week 27 for ASAP movers to move office from Lakeview to new office location. \$14k in week 27 for the new office lease deposit and \$20k for TechExpress service and equipment. Another \$30k							
Includes Wayne V's retainer of \$6,550 for the Spill Contingency Plan Prep in week 26 on the SMV Health and Safety line item. \$30k for REDU injection lines hydro-testing in week 27 of Redu health and							
Deferred Maintenance in weeks 27 and 28 for amounts due to WCW and Standard Oil for passed due balances on Deferred Maintenance projects in Security							
Insurances includes \$26k for Anthem Health Insurance Plan, \$40k for Colonial Health, \$10k for insurance premium financing agreement. Also, Week 27 includes 1st installement of \$36.7k on a total \$128k in past due balance on HVI's State Fund Worker's Comp plan that GIT invoiced HVI for but never paid from August-December, the amount also includes January and February's monthly amount due - monthly run rate is \$18k. Finally, week 27 also include HVI's portion of the Colonial Health Voluntary Bridge Health Insurance plan, the plan has a significant past due balance due to GIT not making payments any Greka affiliates but HVI's portion is around \$8k.							
<u>Worker's Comp Insurance Payment Plan:</u>		<u>1st - week 27</u>	<u>2nd - week 29</u>	<u>3rd - week 31</u>	<u>Total:</u>		
		\$ 36,709.92	\$ 55,064.88	\$ 55,064.88	\$ 146,839.68		
Professional Fees includes weekly carve out for Chapter 11 trustee professionals for January fees, weeks 24-27 and week 28 includes the 20% holdback for October to December fees due to KellyHart,							
UCC Professional Fees of \$33k forecast in week 28, which includes their special counsel and Pachulski's fees.							
Not factored into the cash flow as a disbursement but tracked in the 'DIP Loan' tab. The Advances shall bear interest on the unpaid principal amount thereof at a rate per annum equal to (i) prior to the Second Amendment Effective Date, the Base Rate in effect for each such Advance plus one and one-half percent (1.50%), and (ii) on and after the Second Amendment Effective Date, the Base Rate in effect for each such Advance plus three and one-half percent (3.50%), in each case, calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed.							

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 1901 Avenue of the Stars, Suite 450, Los Angeles, CA 90067-6006.

A true and correct copy of the foregoing document entitled (*specify*): NOTICE OF THIRD AMENDMENT TO CREDIT AGREEMENT AND BUDGET AMENDMENT will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On February 5, 2020, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page.

2. SERVED BY UNITED STATES MAIL: On February 5, 2020, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Debtor
HVI Cat Canyon, Inc.
c/o Capitol Corporate Services, Inc.
36 S. 18th Avenue, Suite D
Brighton, CO 80601

Debtor
HVI Cat Canyon, Inc.
630 Fifth Avenue, Suite 2410
New York, NY 10111

The Honorable Martin R. Barash
U.S. Bankruptcy Court
21041 Burbank Blvd., Suite 342
Woodland Hills, CA 91367

☐ Service information continued on attached page.


3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on February 5, 2020, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

February 5, 2020
Date

Beverly Lew
Printed Name


Signature

ADDITIONAL SERVICE INFORMATION (if needed):

1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")

William C Beall on behalf of Counter-Claimant GLR, LLC, a Delaware limited liability company
will@beallandburkhardt.com, carissa@beallandburkhardt.com

William C Beall on behalf of Counter-Claimant GRL, LLC, a Delaware limited liability company
will@beallandburkhardt.com, carissa@beallandburkhardt.com

William C Beall on behalf of Creditor GLR, LLC
will@beallandburkhardt.com, carissa@beallandburkhardt.com

William C Beall on behalf of Interested Party GRL, LLC, a Delaware limited liability company
will@beallandburkhardt.com, carissa@beallandburkhardt.com

Alicia Clough on behalf of Creditor California State Lands Commission
aclough@loeb.com, mnielson@loeb.com, ladocket@loeb.com

Marc S Cohen on behalf of Creditor California State Lands Commission
mscohen@loeb.com, klyles@loeb.com

Alec S DiMario on behalf of Creditor Direct Energy Business Marketing, LLC d/b/a Direct Energy Business
alec.dimario@mhllp.com, debra.blondheim@mhllp.com; Syreeta.shoals@mhllp.com

Alec S DiMario on behalf of Creditor Direct Energy Business, LLC
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Karl J Fingerhood on behalf of Interested Party United States of America on behalf of USEPA and US Coast Guard
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H Alexander Fisch on behalf of Interested Party California Department of Fish & Wildlife
Alex.Fisch@doj.ca.gov

H Alexander Fisch on behalf of Interested Party California Regional Water Quality Control Board, Central Coast
Alex.Fisch@doj.ca.gov

Don Fisher on behalf of Interested Party Interested Party
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Brian D Fittipaldi on behalf of U.S. Trustee United States Trustee
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Brian D Fittipaldi on behalf of U.S. Trustee United States Trustee (ND)
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Eric P Israel on behalf of Trustee Michael Authur McConnell (TR)
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Jeannie Kim on behalf of Interested Party Pacific Gas and Electric Company
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Michael Authur McConnell (TR)
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Todd C. Ringstad on behalf of Interested Party Interested Party
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Mitchell E Rishe on behalf of Creditor California Department of Conservation, Division of Oil, Gas & Geothermal Resources
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Sonia Singh on behalf of Trustee Michael Authur McConnell (TR)
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Ross Spence on behalf of Interested Party County of Santa Barbara, California
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Ross Spence on behalf of Interested Party Harry E. Hagen, as Treasurer-Tax Collector of the County of Santa Barbara, California
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Ross Spence on behalf of Interested Party Santa Barbara Air Pollution Control District
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Jennifer Taylor on behalf of Interested Party UBS AG, London Branch jtaylor@omm.com

John N Tedford, IV on behalf of Trustee Michael Authur McConnell (TR)
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Salina R Thomas on behalf of Interested Party Courtesy NEF bankruptcy@co.kern.ca.us

Salina R Thomas on behalf of Interested Party Kern County Treasurer Tax Collector
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Patricia B Tomasco on behalf of Creditor GIT, Inc.
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Fred Whitaker on behalf of Interested Party Eller Family Trust
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William E. Winfield on behalf of Creditor Robert Kestner
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William E. Winfield on behalf of Creditor Virginia Tracy
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Richard Lee Wynne on behalf of Interested Party NewBridge Resources, LLC
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